

RSP0 – 2nd Annual Surveillance Assessment (ASA2)
Public Summary Report

Company Name Kulim (Malaysia) Berhad K.B. 705, Ulu Tiram Estate, 80990 Ulu Tiram, Johor, Malaysia
Certification Unit: Sedenak Palm Oil Mill and Supply Base KB 721, 80990 Kulai, Johor Bahru, Johor, Malaysia.

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Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
RSPO Membership Number	1-0006-04-000-00	Date	Member since 8 August 2004
Company Name	Kulim (Malaysia) Berhad		
Address	Head Office: K.B. 705, Ulu Tiram Estate, 80990 Ulu Tiram, Johor, Malaysia Certification Unit: Sedenak Palm Oil Mill, KB 721, 80990 Kulai, Johor Bahru, Johor, Malaysia.		
Subsidiary of (if applicable)	Not Applicable		
Contact Name	Mdm Azmariah Muhamed		
Website	www.kulim.com.my	E-mail	azmariah@kulim.com.my
Telephone	+607-8611611/8622000	Facsimile	+607-8631084

2. RSPO Certification Information					
Certificate Number	SPO 537873	Initial Certificate Issued Date	23/01/2009	Expiry Date	22/01/2019
Scope of Certification	Sedenak Palm Oil Mill & Supply Bases (Sedenak Estate, Ulu Tiram Estate, Kuala Kabong Estate, Basir Ismail Estate and Rengam Estate)				
Other Certifications					
Certificate Number	Standard(s)	Certificate Issued by		Expiry Date	
AR 1803	ISO 9001 : 2008	SIRIM QAS International Sdn Bhd		14/10/2017	
A43169	MS 1500:2009	Department of Islamic Development, Malaysia		30/04/2017	
EU-ISCC- Cert-DE119-60152022	ISCC	ASG Cert		01/02/2016	

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Sedenak Palm Oil Mill	Kulai, Johor, Malaysia.	103° 32' 17.96"	1° 43' 51.08"
Sedenak Estate	Kulai, Johor, Malaysia.	103° 31' 36.24"	1° 42' 48.79"
Ulu Tiram Estate	Ulu Tiram, Johor, Malaysia.	103° 47' 26.40"	1° 37' 28.02"
Kuala Kabong Estate	Kulai, Johor, Malaysia	103° 26' 0.87"	1° 41' 20.10"
Basir Ismail Estate	Kota Tinggi, Johor, Malaysia.	103° 54' 52.07"	1° 37' 47.84"
Rengam Estate	Simpang Rengam, Johor, Malaysia.	103° 24' 49.02"	1° 53' 21.97"

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4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & Other (ha)	Total Hectareage	% of Planned
Sedenak Estate	2,643.66	0	2,643.66	231.84	2,875.50	91.94
Ulu Tiram Estate	323.59	214.15	537.74	86.34	624.08	86.17
Kuala Kabong Estate	1,640.46	0	1,640.46	95.64	1,736.10	94.50
Basir Ismail Estate	1,898.26	701.44	2,599.70	731.06	3,330.76	78.05
Rengam Estate*	1,909.27	431.92	2,341.19	82.23	2,423.42	96.60
Total	8,415.24	1,347.51	9,762.75	1,227.11	10,989.86	88.83

*Note: Rengam estate is a new supply base to Sedenak Mill. Previously was under Sindora Mill supply Base. Sungai Papan estate has been excluded from Sedenak Mill supply base.

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Nov. 14 - Oct 15)	Actual (Nov. 14 - Oct 15)	Forecast (Nov. 15 - Oct 16)
Sedenak Estate	0	858.14	1,488.65	247.02	49.85	62,220	61,435	64,964
Ulu Tiram Estate	118.01	96.14	0	57.29	266.30	7,933	7,904	8,585
Kuala Kabong Estate	0	0	1,640.46	0	0	38,965	37,174	38,955
Basir Ismail Estate	449.16	1,121.42	910.78	118.34	0	42,379	43,507	47,186
Sungai Papan Estate*	0	0	0	0	0	52,210	1,184	0
Rengam Estate*	431.16	239.38	825.52	747.00	98.13	0	48,205	48,113
TOTAL	998.33	2,315.08	4,865.41	1169.65	414.28	203,707	199,409	207,803

*Note: Rengam estate is a new supply base to Sedenak Mill. Previously was under Sindora Mill supply Base. Sungai Papan estate has been excluded from Sedenak Mill supply base.

6a. Certified Tonnage of FFB (Own Certificate Scope)			
Estate	FFB Tonnage / Year		
	Estimated (Nov' 14 - Oct' 15)	Actual (Nov' 14 - Oct' 15)	Forecast (Nov' 15 - Oct' 16)
Sedenak Estate	62,220	61,437	64,964
Ulu Tiram Estate	7,933	7,906	8,585
Kuala Kabong Estate	38,965	37,174	38,955
Basir Ismail Estate	42,379	43,507	47,186
Sungai Papan Estate*	52,210	1,184	0
Rengam Estate*	0	48,207	48,113
Total	203,707	199,415	207,803

*Note: Rengam estate is a new supply base to Sedenak Mill. Previously was under Sindora Mill supply Base. Sungai Papan estate has been excluded from Sedenak Mill supply base.

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6b.Certified Tonnage of FFB (Group Estate)			
Estate	FFB Tonnage / Year		
	Estimated (Nov' 14 – Oct' 15)	Actual (Nov' 14 – Oct' 15)	Forecast (Nov' 15 – Oct' 16)
REM Estate*	0	322	0
Total	0	322	0

*NOTE: REM Estate RSPO certificate (Sindora Mill) No.: SPO 612392 valid till 22 January 2019

7. Non-Certified Tonnage of FFB (outside supplier – Excluded from Certificate)			
Independent FFB Supplier	Tonnage / Year		
	Estimated (Nov' 14 – Oct' 15)	Actual (Nov' 14 – Oct' 15)	Forecast (Nov' 15 – Oct' 16)
KEBUN SEDENAK	115,970	3,488	289,461
REE FONG		8,299	
JTP MONTEL		3,185	
PELADANG JB		2,062	
BUKIT SIPUT		15,911	
SEDENAK BAHRU		2,215	
CHE YU		23,279	
HUP GUAN		283	
SRI MAHTAI		10,349	
HONG HUI		42,220	
CHOON GUAN		21,301	
SRI MISAN		5,050	
FONG TAK		11,293	
KENG ANN		14,093	
R & S		8,163	
GUAN LENG		54,888	
PELADANG KULAI		3,521	
MD SANGIDI		13,229	
ASAM BUBOK	5,002		
TOTAL	115,970	247,831	289,461

8.Certified Tonnage									
Mill	Estimated (Nov 14 – Oct 15)			Actual (Nov 14 – Oct 15)			Forecast (Nov 15 – Oct 16)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Sedenak Palm Oil Mill	203,707	41,474	11,183	199,731	40,945	10,985	207,803	42,599	11,429

Section 2 Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation RSPO-ACC-19)
B-08-01(East), Level 8,
Block B, PJ8, No. 23
Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor, Malaysia.
Fax: +603-7960 5801
Senniah Appalasaamy: Senniah.Appalasaamy@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is RSPO Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta, Indonesia, Singapore, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The ASA2 was conducted from 23-25 November 2015. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C MYNI 2014 and RSPO SCCS November 2014 and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Major Nonconformities that were assigned during the ASA1 which was closed during the last assessment was followed up to ensure it is remaining closed. All the previous nonconformities remains closed. The assessment findings for ASA2 are detailed in Section 3.3 and Appendix A.

This summary report is structured to provide detail of the assessment. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was reviewed by Mr. Senniah Appalasaamy, the BSI Report Reviewer prior to certification decision.

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The following table would be used to identify the locations to be audited each year in the 5 year cycle

1. Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Sedenak Palm Oil Mill	√	√	√	√	√
Sedenak Estate		√			√
Ulu Tiram Estate	√			√	
Kuala Kabong Estate			√		√
Basir Ismail Estate			√		
Rengam Estate		√		√	

Tentative Date of Next Visit: November 2016

Total No. of Man-days: 9 Man-days

BSI Assessment Team:

Hafriazhar Mohd Mokhtar – Lead Assessor

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea and Solomon Islands. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Mohamed Hidhir – Team member

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices and supply chain, safety and health, environmental and workers and stakeholders consultation.

Muhammad Haris Abdullah – Team member

He holds Master in Business Administration from the University Utara Malaysia and Bachelor of Business Administration (Hons) Majored in Human Resource Development from the Open University Malaysia. He has more

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than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He also passed the ISO 14001, ISO 9001, and OHSAS 18001 Lead Auditor Training Courses and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

Accompanying Persons: - Nil –

Section 3 Assessment Findings

3.1 Details of audit results are provided in the following Appendix:

- RSPO P&C MYNI 2014 Summary of Findings – Appendix A
- Time Bound Plan – Section 3.2 below and Appendix B
- RSPO Supply Chain Certification Report – Appendix F

3.2 Progress against Time Bound Plan

Kulim (Malaysia) Berhad has 100% ownership in Kulim Plantations (Malaysia) Sdn Bhd. Kulim Plantations (Malaysia) Sdn Bhd has Sedenak Palm Oil Mill and 5 estates i.e. Sedenak Estate, Ulu Tiram Estate, Kuala Kabong Estate, Basir Ismail and Rengam Estate which supply to certified Sedenak Palm Oil Mill.

Kulim (Malaysia) Berhad has 100% Kulim (Malaysia) Berhad has disposed interest in New Britain Palm Oil Ltd in 2014. Kulim (Malaysia) Berhad previously managed the Tunjuk Laut Palm Oil Mill and Siang Palm Oil Mill but since October 2013 this has been leased to third party operator (Awan Timur Resources and AA Sawit respectively). Kulim (Malaysia) Berhad no longer manages the operations and no management control. The leasing company has changed the name of the mill to Awan Timur Palm Oil Mill. Siang Estate previously supplies FFB to Siang Palm Oil Mill which was previously certified under Johor Corporation and now managed by third party. Siang Palm Oil is not within Kulim (Malaysia) Berhad's management control. Siang Palm Oil Mill is under AA Sawit's management control and the name is changed to Siang Palm Oil Mill – Fruit Express.

Pasir Panjang Palm Oil Mill was under Johor Corporation, and acquired under Kulim (Malaysia) Berhad through Mahamurni Plantations Sdn Bhd in 2012. At the same time Kulim (Malaysia) Berhad has acquired Pasir Panjang Palm Oil Mill through Mahamurni Plantation Sdn Bhd. Pasir Panjang Palm Oil Mill enter time bound plan as per "work plan Kulim / JCorp estate" document and due for certification in 2016. Since March 2015 all Jcorp Estate is now supplied to Pasir Panjang Palm Oil Mill which will enter RSPO Certification 2016. However due to new restructuring starting January 2015, seven (7) estate will be under Kulim (Malaysia) Berhad namely Kuala Kabong, Ulu Tiram, Basir Ismail, REM (combined with Pasak Division/estate), Labis Bahru, Mutiara and Sungai Sembrong. All other operating unit will be under Mahamurni Plantation Sdn. Bhd.

Kulim (Malaysia) Berhad has 100% ownership in Mahamurni Plantations Sdn Bhd. Mahamurni Plantations Sdn Bhd have 3 palm oil mills i.e.: Sedenak Palm Oil Mill, Palong Cocoa Palm Oil Mill, and Pasir Panjang Palm Oil Mill.

Mahamurni Plantations Sdn Bhd also has 9 estates: Sedenak Estate, Sungai Papan which supply to certified Sedenak Palm Oil Mill; Mungka Estate, Kemedak Estate, Palong Estate, Ladang UMAC which supply to certified Palong Palm Oil Mill; Rengam Estate supply to certified Sindora Palm Oil Mill. Pasir Panjang Estate will supply to Pasir Panjang Palm Oil Mill, which due for certification by 2016.

Ownership in Selai Sdn Bhd. Selai Sdn Bhd has Selai Estate and Enggang Estate, both supplies to certified Tereh Palm Mill. Kulim (Malaysia) Berhad has 100% ownership in Sindora Berhad. Sindora Berhad has Sindora Estate supplying to certified Sindora Palm Oil Mill. Sungai Tawang Estate supplying to certified Tereh Palm Oil Mill. Kulim (Malaysia) Berhad has 94.49% ownership in Kumpulan Bertam Plantations Berhad. Kumpulan Bertam Plantations Berhad has Sepang Loi Estate supply to certified Palong Cocoa Palm Oil Mill. Kulim (Malaysia) Berhad itself has 7 estates: Basir Ismail Estate, Ulu Tiram Estate, Kuala Kabong Estate supply to certified Sedenak Palm Oil Mill; Sungai Sembrong Estate and Mutiara Estate supply to certified Tereh Palm Oil Mill; REM Estate will supply certified Sindora Palm Oil Mill; Labis Bahru Estate supply to certified Palong Cocoa Palm Oil Mill.

BSI concludes that Kulim has completed all of the commitments of its Time Bound Plan that relate to company owned and managed Palm Oil Mills and Estates. The progress with the Pasir Panjang Certification planned will be followed up. During the ASA2:

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Plan since first certified.
3. The changes in the Time bound Plan for Pasir Panjang Palm Oil Mill is acceptable because the company just took over the management control.

Kulim (Malaysia) Berhad has completed NPP for the new planting development in Indonesia at PT Wahana Semesta Karisma, PT Harapan Barito Sejahtera and PT Sawit Sumber Rejo on 12/8/2014 posted on the RSPO website's NPP Notification section. At the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings.

BSI considers that Kulim (Malaysia) Berhad complies with the RSPO requirements for Partial Certification rules.

3.3 Details of Findings

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1270178N1	Requirements: 5.3.3 : i) A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. ii) Kulim Plantation Sustainability Waste and Pollution Management Plan dated 1/8/14	Minor
	Evidence of Nonconformity: Sedenak Estate i) Sighted during site review at estate and contractor's workshop, cotton rags and gloves were mixed together with domestic waste in the black bin.	
	Statement of Nonconformity: Waste management plan was not effectively implemented	

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	<p>Corrective Action Plan: Immediate correction: Sedenak Estate has assigned a person-in-charge to closely monitor the waste segregation at all working station including contractor's workshop. All scheduled waste found stored in domestic waste bin has been removed and stored in scheduled waste store</p> <p>Corrective action: Kulim's Sustainability Department combined with Kulim Safety Training and Services will conduct refresher training on waste segregation to respective operator and person-in-charge are o ensure the scheduled waste handling are done accordingly</p>	
	<p>Status: The immediate correction taken and corrective action plan to be implemented deemed satisfactory to close the NC on 11/12/2015. Further verification on the effectiveness of the corrective action plan implementation will be done during the next audit.</p>	

Observation	
OBS #	Description
-Nil-	-Nil-

Positive Findings	
PF #	Description
1	The operation of completed biogas project will significantly reduce the greenhouse gas emission (Sedenak Palm Oil Mill)
2	Communication and awareness among the field employees on OSH matters are continue to be maintained by all operating units.
3	Positive feedbacks from stakeholders interviewed
4	Good establishment & implementation of IPM within visited estates field

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Sedenak Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	<p>Issues Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.</p>

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	<p>Management Responses The management treat all employees equally and no discrimination.</p> <p>Audit Team Findings No disputes were highlighted by foreign workers interviewed during field visit.</p>
2	<p>Issues Contractors: Contractors confirm payment is prompt as per agreed contract.</p> <p>Management Responses Payment is made as per the agreed terms.</p> <p>Audit Team Findings No other issues.</p>
3	<p>Issues Workers union secretary: No pending disputes or any wage issues. Company follow the NUPW/MAPA agreement and minimum wage requirement.</p> <p>Management Responses Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.</p> <p>Audit Team Findings No disputes were raised by workers interview with them which indicate that the freedom to join union and procedure to voice out grievances is implanted.</p>
4	<p>Issues NUPW State Secretary: Re-confirm that company follow the NUPW/MAPA agreement and minimum wage requirement. No pending disputes or any wage issues.</p> <p>Management Responses Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.</p> <p>Audit Team Findings No other issues.</p>
5	<p>Issues School Headmaster : It was re-confirmed that the management always support school activities. The relationship is good. No other issues.</p> <p>Management Responses Management assist wherever possible.</p> <p>Audit Team Findings No other issues.</p>
6	<p>Issues Sedenak Malay Village Representative and Rengam Village Head: Confirmed that company maintain good relationship with the villagers and lot of job opportunities were given to the village youngsters.</p> <p>Management Responses Management assist wherever possible.</p> <p>Audit Team Findings No other issues.</p>
7	<p>Issues FFB Supplier: Confirmed that company maintain good relationship and briefed on the FFB pricing details and grading system.</p> <p>Management Responses Management always ensure FFB suppliers understand the FFB pricing mechanism.</p> <p>Audit Team Findings No other issues.</p>
8	<p>Issues School teacher – Sekolah Menengah Dato Haji Hassan Yunus – No issue</p>

	<p>Management Responses Noted</p> <p>Audit Team Findings No further issue</p>
9	<p>Issues Police officer - Balai Polis Rengam Outside people seen going to Hidhu chapel inside estate compound – drinking liquor – risk of social issues</p> <p>Management Responses Issue to be investigated – will conduct frequent patrol at chapel area to monitor unwanted activities</p> <p>Audit Team Findings Immediate action taken considered appropriate and no further issue.</p>
10	<p>Issues Deputy Chieftan - Kampung Melayu Rengam – Last time road condition very poor but now very good</p> <p>Management Responses Noted</p> <p>Audit Team Findings No further issue</p>

3.3.1 Status of Nonconformities Previously Identified and Observation

All the previous nonconformities followed up and remain closed. The previous nonconformity was followed up. The corrective action plans effectively implemented. The details as follows:

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1123523M1	<p>Requirements: 2.1.1 Evidence of compliance with legal requirements.</p>	Major
	<p>Evidence of Nonconformity: Local exhaust ventilation system at the mill was not examined and tested by registered hygiene technician as required by Regulation 17. USECHH 2000 Engineering control equipment. There were no chemical exposure monitoring conducted for Crystalline Silica, Quartz (TWA: 0.1 mg/m³) to ascertain the adequacy of current control measures and requirement for medical surveillance. The requirement is in accordance to Regulation 26(1) of USECHH 2000. The fertilizer used sample was Egyptian Rock Phosphate.</p>	
	<p>Statement of Nonconformity: No inspection and approval by hygiene technician for the local exhaust ventilation system. Legal compliance review was not effectively implemented.</p>	
	<p>Corrective Action: Sedenak Palm Oil Mill to engaged registered hygiene technician to conduct the exhaust ventilation system assessment. To study to replace N-hexane (schedule 1) to alternative chemical such as ISO octane for laboratory usage. 1) Estate had done special management meeting on 13/11/2014. It is to discuss the appropriate action plan and appoint person in charge. The meeting was documented.</p>	

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	<p>(2) Sedenak Palm Oil Mill and Ulu Tiram Estate liaised with KSTS conducted medical surveillance on workers who exposed to Crystalline Silica, Quartz. Report No. CEM/1114/001 dated 13/11/2014. Local exhaust ventilation system at the mill was examined and tested by registered hygiene technician on 13/11/2014.</p> <p>(3) Ulu Tiram Estate conducted special training on fertilizer application that have Crystalline Silica, Quartz compound.</p> <p>(4) Provide appropriate PPE (e.g. double respirator) for workers that exposed to Crystalline Silica, Quartz.</p>	
	<p>Status: The site visit during ASA2 confirms that major nonconformity remains closed since last recertification assessment on 10 January 2015.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1123523M2	<p>Requirements: 4.7.1 All operations have been risk assessed and documented</p> <p>Evidence of Nonconformity: Based on the HIRARC Control Procedure Revision No 1; Dated: 20th Nov, 2009. Under 8. HIRARC Review. 4) Any accident or incident occurring within the estate or company. However for the all 7 work-related cases of accidents in 2013 and 8 work-related cases of accidents in 2014 to date. There were no evident of review made. For e.g. Baiq Rahaida; Date & Time of Incident: 25th June, 2014; Fell from motorcycle and Jamilah Binti Idroo; Date & Time of Incident: 27th June 2014</p> <p>Statement of Nonconformity: The risk assessment procedure was insufficiently implemented.</p> <p>Corrective Action: (1) Ulu Tiram Estate and KSTS to review HIRARC for all accident, incident and nearly miss cases occurred. (2) The new improvement plan documented and implemented.</p> <p>Status: The site visit during ASA2 confirms that major nonconformity remains closed since last recertification assessment on 10 January 2015.</p>	Major

Observation	
OBS #	Description
1	<p>4.7.1 At Sedenak Palm Oil Mill, HIRARC was updated on Aug 2014. Review of the hazard identification and risk analysis for the maintenance job further elaborated as 3 accidents recorded in the 2014.</p> <p>Status: The site visit during ASA2 confirms that visited operating unit has taken appropriate action and implemented accordingly.</p>
2	<p>4.6.3 At Ulu Tiram Estate, the storage area for the empty container of pesticide which deems used for spraying purpose properly secures to prevent any misuse.</p> <p>Status: The site visit during ASA2 confirms that visited operating unit has taken appropriate action and implemented accordingly.</p>
3	<p>6.2.3 At Ulu Tiram Estate, the stakeholder list has been updated on 2014 and the government agency such as DOSH, DOE and JKR updated in the list as they was part of the stakeholder for the Ulu Tiram estate.</p> <p>Status: The site visit during ASA2 confirms that visited operating unit has taken appropriate action and implemented</p>

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	accordingly.
4	4.7.1 At Ulu Tiram Estate, the first aid kit items usage monitored to track the type and number of accidents. Status: The site visit during ASA2 confirms that visited operating unit has taken appropriate action and implemented accordingly.
5	4.7.1 At Ulu Tiram Estate, the CHRA should be further reviewed on the Welding Activities conducted in the farm. Status: The site visit during ASA2 confirms that visited operating unit has taken appropriate action and implemented accordingly.

3.3.2 Summary of the nonconformities and status

CAR Ref.	CLASS	ISSUED	STATUS
CR02	Minor	24/07/2008	Closed on 21/01/2010
CR03	Minor	27/07/2008	Closed on 21/01/2010
CR08	Minor	10/12/2013	Closed on 25/01/2014
CR09	Major	11/12/2013	Closed on 25/01/2014
1123523M1	Major	12/11/2014	Closed on 10/01/2015
1123523M2	Major	12/11/2014	Closed on 10/01/2015
1270178N1	Minor	25/11/2015	Closed on 11/12/2015

Assessment Conclusion and Recommendation:

It is concluded that Sedenak Certification Unit and supply base complies with the RSPO P&C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014). It is recommended that the certification of Sedenak Certification Unit is approved and continued.

Acknowledgement of Assessment

Report Prepared by

Findings

Name:

Madam Azmariah Muhamed

Name:

Hafriazhar Bin Mohd Mokhtar

Company name:

Kulim (Malaysia) Berhad

Company name:

BSI Services Malaysia Sdn Bhd

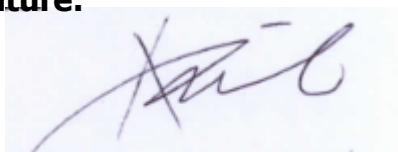
Title:

Head of Sustainability Department

Title:

Lead Auditor

Signature:



Date: 15 January 2016

Signature:



Date: 15 January 2016

Appendix A: Summary Report of the Assessment

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, and EIA, Management Plans & Continuous Improvement Plans and company policies are available.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. <u>Sedenak POM</u> FMA compliance audit by DOSH on 15/6/15. Issue of concern was on the audiometric result for 2014. 76 HI cases and 48 STS cases were recorded in the last testing. Notice, JHK2801(2) dated 15/6/15 was issued and yet the company need to send for retest (STS cases) and proceed with JKPP 7 submission for confirmed NIHL & permanent STS cases. Reply letter was sent to DOSH Johor on 30/8/15 with the corrective action plan. Overall compliance rating given is C (69.08%), based on reply letter, ref: JHK2801(7) dated 6/9/15.	Complied
Criterion 1.2:			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

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Criterion / Indicator	Assessment Findings	Compliance
1.2.1 Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance –	Publicly available management documents covers Land titles, OHS plans, EIA, SIA, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator. RSPO Public summary reports are publicly available on request at each certification unit and at the head office.	Complied
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Policy committing to a code of ethical conduct and integrity available. This has been documented and communicated with employees.	Complied
Principle 2: Compliance with applicable laws and regulations		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p><u>Sedenak POM:</u></p> <ul style="list-style-type: none"> • DOE Licence: JPKKS 002161 (validity period 1/7/2015 - 30/6/2016) for 90mt/hr and method of POME discharge is land application with BOD final discharge limit <5000mg/l. Quarterly report was submitted to DOE as per legal requirement where recent submission for 2nd and 3rd quarter 2015 was submitted on 17/7/2015 & 12/10/2015 respectively. • Certified Environment Professional in the Treatment of Palm Oil Mill Effluent – Pond Processes (CEPPOME) serial no.: CePPOME/15004 (validity 18/5/2015 – 1/6/2016) • DOE written approval for biogas engine of methane capture plant; Ref.: AS(B)J 31/152/000/054 (SK04); Cert. #: APB/2014/018; Approval date: 17/14/2014 • Badan Kawalselia Air Johor (BAKAJ) river water abstract or divert license no.: 08/A/KJ/051; Valid until 31/12/2015; Max abstract capacity: 2000m³/day • Mill SB & UPV general installation inspection (15/3/15) JH PMD 219 – SB JH PMT 4226 (BPR) JH PMT 21981 (STR) JH PMT 21980 (STR) • VE for ICE (650 kW, 250 kW, 250 kW) – by registered 1st grade ICE driver (042/2010). Latest visit on 14/11/15. • Gas engine – 850 kW • Gas engine & ICE driver status – JKJ 25, application for ICE engineer dated 13/10/15 was verified. • ST license, 00138446 for 4040 kW valid until 25/10/16. • License renewal shifted to Putrajaya, application by consultant, One Alpha Electrical Services (PE reg.# 11865) • MPOB license: 500058304000 for 400,000 mt valid until 31/12/15. • SPAN license, SPAN/EKS/(PT)/800-4(1)/2/14 valid until 31/1/16. • Permit for Diesel Storage, refer PPDNKK.J-JB/26/5A/11/1057 (P/D)(P8) valid until 15/1/16. • Competent person for Confined Space. AGT: NW-NJHR-AGT-0152-N valid until 15/4/17 AESP: NW-HQ-AE-2430-M valid until 28/5/16. 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
	<p><u>Rengam Estate:</u></p> <ul style="list-style-type: none"> • MPOB license: 501225502000 (validity period 1/4/2015 - 31/3/2016) • Schedule controlled item permit, ref. no.: BPGK.JH(KLU) 0027 SK; serial no.: J019855 for purchase quantity of 9090 litres diesel; 9090 litres petrol; 9100 litres gasoline & 350mt fertilizer valid from 5/1/2015 to 3/1/2016 <p><u>Sedenak Estate:</u></p> <ul style="list-style-type: none"> • MPOB license: 501224702000 (validity period 1/4/2015 - 31/3/2016) • Schedule controlled item permit, ref. no.: PPDNKK.J-JB/26/5A/11/248 (P/D) (P8); serial no.: J019741 for purchase quantity of 22,730 litres diesel & 5460 litres petrol valid from 31/3/2015 to 30/3/2016 • Schedule controlled item permit, ref. no.: PPDNKK.J-JB/26/5A/11/180 (LBK) (P8); serial no.: J020474 for purchase quantity of 1500mt fertilizer valid from 31/3/2015 to 30/3/2016 • Road tolling license no. 00859 (validity period 1/1/2015 – 31/12/2015) • Workers salary deduction permit, serial no.: PP3/29/051/2009 dated 15/11/2009 		
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p>	<p>All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. Documented legal register dated 1/6/15 was sighted. <u>Sedenak Estate:</u> Additional legal requirements covered – Animals Act 1953, Doctor Veterinary Act 1974 & Aakta Lembaga Kemajuan Ternakan Negara (Pembubaran)</p>	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>Sustainability department and appointed safety company to monitor compliance. Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, Sustainability Team, OHS Department and Head Office Audit Department.</p>	Complied
2.1.4	<p>A system for tracking any changes in the law shall be implemented. - Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. New changes identified, amendment on FMA 1967, PIC Regulations 2014.</p>	Complied
<p>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land title and land lease documents is available. There is no change in the land ownership. <u>Rengam estate:</u> Holds 2 titles i.e., Grant No. 84384 for Lot No.: 1912 and 22000 for Lot No.: 2264. <u>Sedenak estate:</u> Holds 10 titles i.e., Grant No. CT 2855 for PTD 969, CT 2856 for PTD 970, G10 for PTD 136 and etc.	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate.	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1 Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	The estate lands are legally owned by the company and no other users were identified within the land area. Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The estate lands are legally owned by the company and no other users were identified within the land area. Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The estate lands are legally owned by the company and no other users were identified within the land area. Complied
<p>Principle 3: Commitment to long-term economic and financial viability</p>		
<p>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc. Complied
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Kulim (Malaysia) Berhad has prepared a long range replanting plan until 2041 and reviewed on yearly basis. Latest review was done on 9 April 2015. <u>Rengam estate:</u> Next replanting will be in 2017 for 232.89ha. <u>Sedenak Estate:</u> Next replanting will be in 2017 for 146.77ha. Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1:			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	Palm Mill holds SOP: Mill Operation Manual includes mill SOP and work instruction as a guidance document to operate the mill. Estates have a separate SOP and Estate Manual covers land preparation, planting material, upkeep, harvesting, transport etc. OSH Guidelines for Estate and SOP. Estate operation SOPs, Rat Baiting, Harvesting (MB), FFB Evacuation, Transporting, P&D spray etc.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Mill Advisor and Plantation Inspectorate make regular visit to evaluate the performance of the mill and estates. General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard. Latest Plantation Inspectorate visit in Rengam Estate was made on 21-22/9/2015 (Report No.: SS/LRG/3/2015) while for Sedenak Estate was made on 2-6/8/2015 (Report No.: SS/LSD/2/2015). As for the mill, latest visit by Mill Advisor was on 19 & 20/10/2015 (Ref. No.: MJAB/SDM/4/2015). The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs.	Complied
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	<u>Sedenak Palm Oil Mill:</u> The records of monitoring and the actions taken maintained for more than 12 months. Records were verified during the document review found compliance. Among the records of monitoring required as per JPKKS 002161 sighted as following: <ul style="list-style-type: none"> • Final discharge BOD - CePPOME • Daily effluent quantity • River (Sg. Skudai) upstream and downstream • Smoke density/stack monitoring • CEMS • Boundary noise <u>Rengam estate:</u> Agronomist visit: 12 -13 May 2015 Plantation Inspector visit: 21-22 September 2015 <u>Sedenak Estate:</u> Plantation Inspector visit: 6 August 2015 Agronomist visit: 18 -19 May 2015	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	The Palm Oil Mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received.	Complied
Criterion 4.2:			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			

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Criterion / Indicator	Assessment Findings	Compliance
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield. The implementation of SOPs is checked during daily inspection by staff as well as by internal audits.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. Soil sampling was done on 5/2/15 by Kulim Research and development department (UTCL Laboratory) (Report No.: SI/1502/0021-0024). Leaf sampling was done on 16/10/15 (Report No.: LI/1510/RGM/1080-1089).	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	EFB application only applied to selected fields. Average about 40 - 45mt/ha EFB applied. POME application is carried out at fields near to the mill. Zero burning is carried out during replanting through chipping and residues applied back to field.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.		
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	All the estates hold copies of soil map. Soil maps and field visit confirm that there is no fragile soil on the estates.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as <i>muccuna</i> and soft grasses and ferns.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Estate has implemented annual road maintenance programme. Example of programme checked at Sedenak and Rengam estates shows the map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Sedenak Operating units monitored water quality of outgoing waters to identify any adverse effect from the mill and estate activities. There is an Integrated Water Management Plan which has been implemented. The plan takes into account the efficient use of resources, ensure amongst other that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent.</p> <p>Sedenak mill has monitored its outgoing water at river upstream & downstream station at Sungai Skudai on annual basis as per DOE license. Recent test report by UTCL Laboratory; for upstream & downstream river water sample taken on 11/10/2015; report # EI/1510/0955-0956; dated: 29/10/2015 shown parameter in compliance with standard (NWQS) requirements limit.</p> <p>Sedenak mill also maintained records of drinking water analysis taken by Decagon Lab & Analytical Testing Sdn. Bhd. on 16/2/2015 (report # LW/168/15; dated 5/3/2015) & 27/7/2015 (report # LW/726(1-2); dated 13/8/15). The results shown the water quality parameters including pH, Turbidity, Al, Cl₂, total Coliform and E. Coli contents are within regulation limit for drinking water.</p> <p>Sedenak mill has maintained monitoring records of water usage which recorded every day and summarised on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season. Rainfall for period from Jan to Oct 2015 recorded at 1243.00mm. Rainfall recorded for the whole year 2014 was 1691.00mm.</p> <p>Rengam Estate drinking water sourced from SAJ pipe. The sampling analysis has been conducted for outgoing water of a stream running through the estate with one inlet and two outlets. Sampled records of outgoing water analysis taken by UTCL Laboratory on 10/10/2015; report # WI/1510/0685-0687; dated 29/10/2015. The results shown no significant changes on the pH, COD & total dissolved solid on the downstream as compared to the upstream result. Rainfall for period from Jan to Oct 2015 recorded at 1919.00mm with 78 no. of rainy days.</p> <p>For Sedenak Estate, the sampling of outgoing water has been done for a stream (Sungai Skudai) flowing across its estate. Sampled analysis report checked, report # WI/1511/0707-0708; dated 2/11/2015 analysed by UTCL Lab for sample taken on 12/10/2015. Results shown parameter (Nitrate Nitrogen & Phospate) in compliance with standard requirements limit. Rainfall for period from Jan to Oct 2015 recorded at 1462.00mm with 85 no. of rainy days.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Based on the company's Agricultural Manual (Section A: Replanting, A17-Protection of Natural Water Courses, Updated on 1/7/2013), established river buffer zones as per MPOB's guideline: i) River width > 40m; river buffer = 50m ii) River width 20 - 40m; river buffer = 40m iii) River width 10 -20m; river buffer = 20m iv) River width 5 - 10m; river buffer = 10m v) River width < 5m; river buffer = 5m Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones. There was also no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates. All the estates assessed has prepared map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection confirmed that the buffer zone beside the stream has been demarcated clearly and maintained. Upstream and downstream river water analysis has been conducted on quarterly basis to confirm there was no contamination to the river activity by the POM and estate operation.	Complied
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Treatment of mill effluent carried out as per SOP and DOE license requirements with regular monitoring of discharge quality; especially Biochemical Oxygen Demand (BOD) is monitored. The mill effluent has been analysed for BOD on monthly basis in a ISO 17025 accredited laboratory and the result found was found complied to the DOE permit of <5000mg/L. Sampled report checked for Oct 2015 were 250mg/L (report # EI/1510/0954; dated 29/10/2015) and 165mg/L (report # EI/1508/0885; dated 8/10/2015) respectively analyse by UTCL Laboratory of Mahamurni Plantations Bhd.	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Average water consumption based on activities i.e. mill use & domestic use varies from 1.03m ³ – 1.91m ³ per tonne FFB processed with the average water usage of 1.24m ³ per tonne FFB processed for the period from Jan to Oct 2015. This was higher than the targeted consumption at 1.10m ³ .	Complied
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as <i>Turnera subulata</i> are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available. Records of rat baiting and barn owl census are available. No reported infestation by other pests (bagworms and rhinoceros beetle).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the staff confirm their understanding of the Kulim's IPM practices.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Written justification is in the Standard Operating Procedures of all agrochemicals used. Selected products are specific to the target pest, weed and disease. The selection is also evaluated by the agronomist during his visit to the estate.	Complied
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.	Complied
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Kulim's Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.	Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Kulim has stopped paraquat usage since 1 March 2015. Alternatives such as Glyphosate were used.	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipments and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied

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4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Agrochemical containers recycled for premix agrochemical	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified through agronomist advisory.	Complied
4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spray at Sedenak Certification Unit.	Complied
4.6.9 Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders. Employees demonstrate knowledge and skills on pesticide handling. SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as a Work Instruction on safe handling for the easy understanding of the agrochemical handlers	Complied
4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management dispose waste material as per regulation for schedule waste and domestic waste.	Complied
4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	<p><u>Rengam Estate</u></p> <p>Annual medical surveillance carried out for all operators as per CHRA requirements. Refer to CHRA dated May 2013 by registered assessor JKPP HIE 127/171-2(154). Based on the Medical Surveillance from Kulim Safety Training and Services Sdn. Bhd on 13 September 2014. Medical Surveillance was conducted for 52 employees from 5 work stations from Sprayer, Mandore, Field Supervisor, Fertilizer, Workshop / Foreman. The surveillance covers the blood test, urine microscopy, lung function test and biological monitoring for pesticides/organophosphates. There was 1(one) case of low serum cholinesterase level recorded. MRP was initiated at 13/9/15 and the said worker was reassigned job as general workers.</p> <p><u>Sedenak Estate</u></p> <p>Last done on 14/6/15 for total of 44 workers from 5 different work units.</p>	Complied
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There was no women sprayers at Rengam Estate	Complied

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:		
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p> <p>OSH plan for 2015 was sighted. Programme consist Osh briefing, fire protection inspection, compliance monitoring (medical surveillance, audiometric, chemical exposure monitoring, workplace inspection, LEV monitoring) etc.</p> <p><u>Personal Chemical Exposure Monitoring (PCEM)</u></p> <p>Personal chemical exposure monitoring was conducted on 13th November 2014 by registered IHT, JKPP HIE 127/171-3/1(164). Refer to report CEM/1114/001. TWA8 was below than PEL. (N-hexane: 176 mg/m³). For 2015, it has been scheduled on December 2015. Report will be verified in the next assessment.</p> <p><u>Rengam Estate</u></p> <p>The latest PCEM was carried out on 16/3/15. Refer report CEM/0415/003 by registered IHT, JKPP HIE 127/171-3/1(164). Airborne Concentration (mg/m³) results of crystalline Silica and Quart was recorded low than PEL 8 hours TWA (mg/m³).</p> <p><u>Sedenak Estate</u></p> <p>The latest PCEM was carried out on 21/5/15. Refer report CEM/0515/05 by registered IHT, JKPP HIE 127/171-3/1(164). Airborne Concentration (mg/m³) results of crystalline Silica and Quart was recorded low than PEL 8 hours TWA (mg/m³).</p> <p><u>Medical Surveillance</u></p> <p>Last conducted on 15 June 2015 by registered OHD, HQ/14/DOC/00/235. 17 workers form lab, workshop, WTP, boiler and diesel operator were sent for testing. No detrimental of health due to occupational recorded.</p> <p><u>Audiometric Testing</u></p> <p>Last audiometric testing was conducted on 6/8/15 by MHA Safety and Health Sdn Bhd. Refer to report AUDIO/MHA/SDNK/SB1552. Total of 48 workers were sent for testing. HI – 31 cases, STS 19 cases.</p> <p>Retest for HI and STS cases are scheduled on 30/11/15 to confirm NIHL and permanent STS cases.....###</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Contractor Management</u></p> <p>PTW was used to monitor contractor’s job inside the premise. Permit for working at height/hot work/confined space etc.</p> <p>Sample of Working at Height PTW: PPE, scaffolding, safety harness (checked) dated 21/11/15 (roofing structure repair)</p> <p><u>LEV inspection and monitoring</u></p> <p>Internal inspection was done on monthly basis for fume hood. Annual 3rd party inspection will be carried out on 3/12/15, refer to PO: 1500064. Status will be verified in the next audit.</p>	
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p> <p>HIRARC review after accident – cages pulling/movement (review date September 2015)</p> <p>Latest CHRA dated May 2013 by registered IHT JKKP HIE 127/171-2(309).</p> <p>Recommendation :</p> <p>Lab – LEV inspection, PCEM (N-hexane), medical surveillance</p> <p>Workshop and water treatment – medical surveillance.</p> <p><u>Rengam Estate</u></p> <p>Latest CHRA dated May 2013 carried out by registered assessor, JKKP HIE 127/171-2(154).</p> <p>Recommendation :</p> <p>i)Medical Surveillance – Manurer, Sprayer</p> <p>ii)PCEM – Crystalline Sillica and Quartz monitoring</p> <p>HIRARC review: after accident dated 31/7/15. Risk rating has been revised with additional control measure under administrative control.</p> <p><u>Sedenak Estate</u></p> <p>Latest CHRA dated May 2013 carried out by registered assessor, JKKP HIE 127/171-2(154).</p> <p>HIRARC register dated 17/4/15 was sighted. No major changes noted for the activities except for the revision due to accident.</p>	Complied
4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p> <p>Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations. Training records were verified.</p> <p>Sample of PPE per each work unit and found to be adequate as per SDS and CHRA assessor recommendation.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p> <p>Sedenak POM: #1-27/3/15, #2-14/6/15, #3-13/9/15</p> <p>Safety audit conducted prior to SHC meeting. Latest inspection 11/9/15.</p> <p>Rengam Estate:#3: 30/9/15, #2: 21/6/15, #1: 29/3/15</p> <p>Safety audit conducted prior to SHC meeting. Latest inspection 27/9/15.</p>	Complied
4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p> <p>Emergency response plan was developed based on identified emergency situation. Verified ERT chart for Sedenak POM, dated August 2015. ERP for CPO spillage, ERP for ETP bund breaks, ERP for fire emergency were documented with process flow and work instruction.</p> <p>Sample of work instruction verified were:</p> <p>i) SDM/WI/14, rev:0, dated 1/7/07 (Control of CPO Spillage/POME/Diesel/Chemical Rupture/ETP Bund Rupture)</p> <p>ii) SDM/WI/15, rev:1, dated 10/8/08 (Fire and Boiler Emergency)</p> <p>Emergency drill was periodically tested. Latest drill for control of spillage (CPO & chemical), 21/10/15 and fire drill on 3/5/15. In overall, drill objective was achieved.</p> <p>Emergency evacuation route and emergency contact number were prominently displayed at strategic area. First aid equipment were located at both production and non-production area. Trained first aider was available at all visited work unit.</p> <p>Incident investigation done by OSH committee and reported to Safety Department. Secretary of safety committee, mill assistant.</p>	Complied
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p> <p>FWCS (mill) – total foreign workers 50 employees.</p> <p>Current policy, 15DJBWWCZ00089, valid until 28/4/16 under Berjaya Sampo Insurance Berhad.</p> <p>FWCS (Rengam Estate): Covered under RHB Insurance Berhad for 241 workers.</p> <p>Sample : FW0789943 period cover until 18/2/16.</p> <p>FWCS (Sedenak Estate): Covered under Berjaya Sampo Insurance Berhad for 235 workers. Sample of policy 15DJB/AACZ18734 valid until 31/12/2015.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance												
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard and reported to ESH department. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="660 533 1295 759"> <thead> <tr> <th>Year</th> <th>Sedenak Mill</th> <th>Rengam Estate</th> <th>Sedenak Estate</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>3 (334 LTA)</td> <td>8 (61 LTA)</td> <td>72 (99 LTA)</td> </tr> <tr> <td>2015</td> <td>1 (110 LTA) to date Oct 2015</td> <td>7 (101 LTA)</td> <td>59 (89 LTA)</td> </tr> </tbody> </table> <p><u>Sedenak Mill</u> There were 1 case of permanent disabilities (75 LTA) and 2 temporary disabilities (259 LTA) in 2014.</p> <p><u>Rengam Estate</u> Long term MC, 78 LTA for temporary disability case.</p>	Year	Sedenak Mill	Rengam Estate	Sedenak Estate	2014	3 (334 LTA)	8 (61 LTA)	72 (99 LTA)	2015	1 (110 LTA) to date Oct 2015	7 (101 LTA)	59 (89 LTA)	Complied
Year	Sedenak Mill	Rengam Estate	Sedenak Estate											
2014	3 (334 LTA)	8 (61 LTA)	72 (99 LTA)											
2015	1 (110 LTA) to date Oct 2015	7 (101 LTA)	59 (89 LTA)											
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.														
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	Annual training programme for 2015 incorporated for ISO 9001 & OSH Plan under RSPO training programme.	Complied												

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.2 Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Assistant Mill Manager has attended a training course for Certified Environmental Professional in the Treatment of Palm Oil Mills Effluent (Pond Processes)(CePPOME) on 30/5 – 3/6/2015.</p> <p>Sedenak POM:</p> <ul style="list-style-type: none"> i) Safety Training: Safety For Lock Out, Tag Out (29/3/15) ii) Confined Space Training (24/2/15) iii) First Aid Training, (21/9/15) iv) Chemical Safe Handling, (28/5/15) v) PTW System Training, (6/4/15) vi) ERT bund rupture & chemical spillage (21/10/15) vii) Shovel and Tractor Driving Safety (15/11/15) <p>Rengam Estate</p> <ul style="list-style-type: none"> i) HIRARC Training – 17/11/2014 ii) Workshop Safety Training – 14/11/2014 iii) Safety Driving Training for Tractor & MB Driver – 29/8/15 iv) Understanding & Implement Effective OSH Risk Management – 10-11/5/15. v) Scheduled Waste Training – 7/7/15. vi) ERP and Fire Demonstration Training (BOMBA) – 7/9/15 vii) First Aid Training – 1/9/15 	<p>Complied</p>
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>		
<p>Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Sedenak Palm Oil Mill (SPOM):</p> <p>Documented Environmental Aspects and Impacts Register (Form No.: EPA-POM-2015; Activity code: ER001–ER016; Rev. 1/2015) available. The review was done on annual basis. For the year 2015, review done on 1/9/2015.</p> <p>Rengam Estate:</p> <p>Documented Environmental Aspects and Impacts Register (Form No.: EPA-RENGAM-2015; Activity code: ER001–ER014; Rev. 1/2015) available. The review was done on annual basis. For the year 2015, review done on 9/8/2015.</p> <p>Sedenak Estate:</p> <p>Documented Environmental Aspects and Impacts Register (Form No.: EPA-LXX-2013; Activity code: ER001–ER014; Rev. 1/2013) available. The review was done on annual basis. For the year 2015, review done on 17/8/2015.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Mill: Monitoring plan was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling</p> <p>Among the mill environmental monitoring records available are sighted as following:</p> <ul style="list-style-type: none"> • Treatment of mill effluent carried out as per SOP and DOE license requirements with regular monitoring of discharge quality; especially Biochemical Oxygen Demand (BOD) is monitored. The mill effluent has been analysed for BOD on monthly basis in a ISO 17025 accredited laboratory and the result found was found complied to the DOE permit of <5000mg/L. Sampled report checked for Oct 2015 were 250mg/L (report # EI/1510/0954; dated 29/10/2015) and 165mg/L (report # EI/1508/0885; dated 8/10/2015) respectively analyse by UTCL Laboratory of Mahamurni Plantations Bhd. • At Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out on 24-25/6/15 and 22-23/9/15 respectively by Spectrum Laboratories (Johore) Sdn. Bhd (Report Ref. No.: ETD/A/SPOM/2015-06/12763 & ETD/A/SPOM/2015-09/13212). Air emission monitoring was conducted on 1/4/2015 for boiler stack no. 4 and 23/9/2015 for boiler stack no. 3. Results reported by Spectrum Laboratories (Johore) ref. no.: ETD/SPOM/SE/2015/04/12510; dated: 23/4/2015 for boiler stack no. 4 & ETD/SPOM/SE/2015/09/13212 for boiler no. 3; dated: 19/10/2015 showed that the parameters checked were complied with the limit of the Malaysian Recommended Air Quality Guidelines and Environmental Quality (Clean Air) Regulation, 1978. • Online scheduled waste inventory & consignment – updated as of 31/10/2015. Latest review on type of waste generated and its handling management plan was done on 19/11/2015. • Schedule waste at the mill have been disposed through OLST Petro-Chemical on 19/11/2015 (Consignment no.: OPC13120 for SW409; OPC13117 for SW305; OPC13118 for SW306; OPC13122 for SW410 & OPC13119 for SW307) and Kualiti Alam on 12/6/2015 (Consignment no.: 0064510 for SW102 & 0064511 for SW409). 	<p>Complied</p>
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p><u>Sedenak Mill:</u></p> <p>SPOM has established Waste Management Action Plan FY 2015/2016. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, linesite, office, mill effluent pond.</p> <p><u>Rengam Estate:</u></p> <p>Reggam Estate has also reviewed its Waste Management Action Plan FY 2015/2016 on 1/8/2015. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The waste was managed according to the type and source which include waste segregation, reuse and recycle.</p> <p><u>Sedenak Estate:</u></p> <p>Sedenak Estate has also reviewed its Waste Management Action Plan FY 2015/2016 on 1/9/2015. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The waste was managed according to the type and source which include waste segregation, reuse and recycle.</p>	<p>Complied</p>
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose. Records sighted during site visit shown all estates under Sedenak complex have participated in the DOE-DOA joint-venture program on recycling the empty chemical containers (DOE letter ref. AS(BB)91/110/619/001 Jld. 22; dated 26/3/2013). DOE also stated that G-Planter Sdn. Bhd. & AGR Smart Sdn. Bhd. are the authorised recycler under the program (DOE letter ref. JP KRP 207/12/471 JLD VI; dated 16/1/2014). The program involved the triple rinsing and punctured practice of used chemical and disposed it through G-Planter Sdn. Bhd. Latest collection was done on 11/11/2015 by G-Planter for Rengam Estate.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector. The company has continued managing scheduled waste stores at the mill and each of the estates. Agrochemical containers are triple rinsed and punctured to avoid any misuse. Latest review on type of waste generated and its handling management plan was done on 2/8/2015.</p> <p>Schedule waste at the mill have been disposed through OLST Petro-Chemical on 19/11/2015 (Consignment no.: OPC13120 for SW409; OPC13117 for SW305; OPC13118 for SW306; OPC13122 for SW410 & OPC13119 for SW307) and Kualiti Alam on 12/6/2015 (Consignment no.: 0064510 for SW102 & 0064511 for SW409).</p> <p>Schedule waste at Rengam Estate was disposed by Kualiti Alam on 16/11/15 (consignment note #0076914 - SW305; #0084045 - SW307 & #0084044 - SW306). Inventory record was being maintained adequately.</p> <p>Sedenak Estate last disposed its scheduled waste on 7/8/2015 by Kualiti Alam Sdn. Bhd. (consignment note # 0084173 - SW408; # 0084172 - SW410; # 0053913-SW102 & # 0084171 - SW305). Clinical waste was disposed through Sharps & Bins Sdn. Bhd. latest on 30/10/2015. However, the visit in Sedenak Estate facilities, it was sighted during site review at both estate and contractor's workshop, cotton rags and gloves were mixed together with domestic waste in the black bin. This demonstrated that the waste management plan was not effectively implemented...###</p>	<p>Minor Noncompliance</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>5.4.1</p> <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>The mill production output records and the renewable energy used were monitored monthly. The Mill monitors and reports energy usage monthly to head office through monthly report. The company has optimized the use of renewable energy. The energy usage varies depending on the FFB supplied by the estates. During low crop there is a slight increase in use of diesel fuel for processing. Monitoring of fuel used is based on per mt of CPO. Similar to other palm oil mills under Kulim (Malaysia) Berhad, average 12% of fiber used per month combining with 6% of shell as renewable energy source.</p> <p>Average monthly fossil fuel (diesel): 0.94liter/mt FFB processed for vehicles and standby/start-up genset consumptions for mill which is lower than max limit at 1.10 liter/mt.</p> <p>Average monthly fossil fuel (diesel): 0.86liter/mt FFB produced for vehicles consumptions for Rengam Estate.</p> <p>Average monthly fossil fuel (diesel): 1.17liter/mt FFB produced for vehicles consumptions for Sedenak Estate.</p>	<p>Complied</p>
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		

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Criterion / Indicator	Assessment Findings	Compliance	
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974 and in-line with ASEAN guidelines for zero burning. No open burning noted during the field visit and facility visit.	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	At Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out on 24-25/6/15 and 22-23/9/15 respectively by Spectrum Laboratories (Johore) Sdn. Bhd (Report Ref. No.: ETD/A/SPOM/2015-06/12763 & ETD/A/SPOM/2015-09/13212). Air emission monitoring was conducted on 1/4/2015 for boiler stack no. 4 and 23/9/2015 for boiler stack no. 3. Results reported by Spectrum Laboratories (Johore) ref. no.: ETD/SPOM/SE/2015/04/12510; dated: 23/4/2015 for boiler stack no. 4 & ETD/SPOM/SE/2015/09/13212 for boiler no. 3; dated: 19/10/2015 showed that the parameters checked were complied with the limit of the Malaysian Recommended Air Quality Guidelines and Environmental Quality (Clean Air) Regulation, 1978. The mill currently are planning to upgrade its facilities in-line with the new requirements of EQ (Clean Air) Reg. 2014 which has been spelt out in the DOE license to be comply latest by June 2019.	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented. Implementation and monitoring of GHG emissions is carried out.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE.	Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.			
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			

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Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Sedenak operating unit social impact assessment was reviewed annually by taking into consideration the feedback from stakeholders and social action plan is developed based on feedback received from external and internal stakeholders. Record of meeting with attendance list and minute of meeting are available as attachment. Sustainability Department executives conduct annual survey to get feedback from stakeholders. Latest survey was conducted on 3/7/15. SIA action plan has been updated on 1/8/15.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Assessment also covered Social Amenities, Environment, Road Users, Employee Changes, Safety and Health Issues, Surrounding Communities, Government Official, Police, Labour Department, Health Department, Contractors and Suppliers.	Complied
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Based on the SIA findings and recommendation from the sustainability executives, a timetable with responsibilities for mitigation and monitoring of the social impacts were developed and reviewed as necessary. The Assistant Manager is responsible for the social issues and communication with the stakeholders.	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Annual SIA improvement plans reviewed yearly. The assessment was through meeting with the effected parties and stakeholders conducted by the Kulim Sustainability executives. Latest review was done on 1/8/2015.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Sedenak Certification Unit.	Complied
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	Documented consultation and communication procedures "Grievance Procedure" SOP was established and available since 2008.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	The responsibility to ensure effective implementation of the SOP is the respective Mill and Estate Managers assisted by assistant managers. These executives of the respective operating unit handle social issues of the mill and estates.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	Stakeholder list has been updated on the 1/5/2015 including all the stakeholders with the contact persons and detail which include government agency NGO, supplier, and contractor. Several internal and external stakeholders have been conducted separately with different stakeholder. Several internal and external stakeholders have been conducted separately with different stakeholder. i.e. Latest meeting at Rengam Estate was on 17 November 2015. As for Sedenak estate, latest meeting was done on 8/10/2015.	Complied
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate which is effective, timely, and appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	SOP to resolve social disputes “Grievance Procedures” SOP dated since 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings. Follow-up actions had timelines, responsibilities, and details of actions and monitored by managers for satisfactory conclusion. Minutes of meetings are maintained and reviewed.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.3.2 above.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and conditions such as pay slips, shows gross pay, net pay, leave, medical leave pay etc are maintained by the company. Minimum wage is paid to workers and no complaint was received during interview with workers.	Complied
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Employment contract are available and understood by workers. This was confirmed during the workers interview. Pay and conditions explained to workers by the operating units. Basic daily pay was verified to be in accordance with the minimum wage payment.	Complied
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	Palm Oil Mill and estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers’ Minimum Standard of Housing and Amenities Act 1990 (Act 446). The Mill has completed the new housing project for workers. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose. Line site inspection was carried on weekly basis and fortnightly by EHA and VMO.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	Accesses to food for the workers are considered adequately and sufficiently.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated since 2008.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<p>Worker Union (NUPW) was formed by the workers. Union meeting has been conducted on the 13/10/2015 and no major issue has been highlighted. Interview with NUPW representatives confirmed that there were no pending issues.</p> <p><u>Rengam estate:</u> Latest meeting was done on 6/4/2015 attended by 6 people including NUPW state chairman and secretary.</p> <p><u>Sedenak estate:</u> Latest meeting was done on 23/4/2015 attended by 25 people including NUPW state chairman and secretary.</p>	Complied
<p>Criterion 6.7: Children are not employed or exploited.</p>		
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Operating units are complied with the minimum age requirement. No employees below the age of 18.	Complied
<p>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	A policy on equal opportunity available and displayed at the offices along with the other policies.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 2 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, Foreign Workers Representation and Union Committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
<p>Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
6.9.1 Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on protection against Sexual Harassment and other forms of harassment available and implemented. There is no any reported case of harassment in the operating units. Gender committee namely "WOW" (Women Onwards) has been established in all operating units and guided by quality department from HQ. Latest meeting was conducted on 12/10/2015. At Rengam estate, last meeting was done on 6/9/2015 attended by 22 female workers and staffs.	Complied
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave.	Complied
6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Existing grievance procedure to handle grievances from internal and external stakeholders contains flow chart and available in the local language. Grievances and complaints are treated as confidential and not discussed in public.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.		
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Pricing mechanism for FFB is based on Malaysian Palm Oil Board pricing published in the MPOB website and publicly available.	Complied
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	The palm oil mill management have explained FFB pricing, and pricing mechanisms for FFB and inputs/services and documented. The FFB suppliers interviewed understand the pricing calculation methods.	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Contractors/suppliers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement which is explained prior to signing.	Complied
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	Interview of contractors and workers confirmed payment is made promptly. Inspection to the "Grievance Book" indicated no complaint was raised in relation to processing of the payment.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.		

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Criterion / Indicator		Assessment Findings	Compliance
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	Contributions are regularly made to school activities and community activities. This was confirmed by school teachers and local community during interview. Company also allow access to local community to access through the estate roads. Consultations with the local communities are held to encourage them to highlight and suggest any activities for local community development. Sedenak mill has conducted a knowledge sharing session with school students on Green Technology and Renewable energy dated 11/11/2015.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholders.	Complied
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour in the operating units. All employees have employment contract and paid the agreed national minimum wages.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract substitution was noted.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The existing policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable for Peninsular Malaysia.	Complied
Principle 7: Responsible development of new plantings Sedenak Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. The immature areas are replanted area.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Kulim has stopped the Paraquat usage since early 2015.</p> <p>On-going upgrading of workers housing is being implemented.</p> <p>Ongoing monitoring of wildlife by Kulim joint venture with wildlife conservation society as addition to the operating units monitoring.</p>	<p>Complied</p>

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Appendix B: Kulim (Malaysia) Berhad Time Bound Plan

TIME BOUND PLAN – Certification Units in Malaysia			
No.	MANAGEMENT UNIT		
	Malaysia	Time Bound for certification	Status
1	Sedenak Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
2	Sindora Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
3	Tereh Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
4	Palong Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
5	Pasir Panjang Palm Oil Mill (Previously certified through JCorp. But terminated due to the mill was leased to third party and Kulim (Malaysia) Berhad did not have the management control. Now the management control is under Kulim (Malaysia) Berhad after fully acquiring the Palm Oil Mill in 2015)	2016	Planning in 2016
	Indonesia	Time Bound for certification	Status
6	PT Harapan Barito Sejahtera	NPP completed	Planting in progress
7	PT Sawit Sumber Rejo	NPP completed	Planting in progress
8	PT Wahana Semesta Karisma	NPP completed	Planting in progress

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Appendix C: Kulim (Malaysia) Berhad – Sedenak Certification Unit RSPO Certificate Details

Kulim (Malaysia) Berhad
Sedenak Palm Oil Mill,
KB 705,
80990 Ulu Tiram, Johor Bahru,
Johor, MALAYSIA

BSI RSPO Certificate No: SPO 537873

Date of Initial Certificate Issued: 23 January 2009

Date of Expiry: 22 January 2019

RSPO membership number: 1-0006-04-000-00

Applicable Standards: RSPO P&C MYNI 2014; RSPO Certification System June 2007 (revised March 2011); Annex 4: Procedures for Annual Surveillance; RSPO Supply Chain Certification Standard November 2014 Module E - CPO Mills: Mass Balance

Sedenak Palm Oil Mill and Supply Base					
Location Address		Sedenak Palm Oil Mill, K.B 721, 80990 Johor Bahru, Johor, Malaysia.			
GPS Location		Longitude: 103° 32' 17.96" E Latitude: 1° 43' 51.08" N			
CPO Tonnage Total		42,599mt			
PK Tonnage Total		11,429mt			
CPO Claimed for Certification		42,599mt			
PK Claimed for Certification		11,429mt			
Own estates FFB Tonnage		207,803mt			
Scheme Smallholder FFB Tonnage		-			
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)		-			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Sedenak Estate	2,643.66	0	231.84	2,875.50	64,964
Ulu Tiram Estate	323.59	214.15	86.34	624.08	8,585
Kuala Kabong Estate	1,640.46	0	95.64	1,736.10	38,955
Basir Ismail Estate	1,898.26	701.44	731.06	3,330.76	47,186
Rengam Estate	1,909.27	431.92	82.23	2,423.42	48,113
TOTAL	8,415.24	1347.51	1227.11	10,989.86	207,803

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Appendix D: Assessment Plan

Date	Time	Subjects	Hafriazhar	Mohamed Hidhir	Muhd Haris
Sunday 22/11/2015	PM	Audit Team travelling to the site.	√	√	√
Monday 23/11/2015	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). 	√	√	√
Sedenak Palm Oil Mill	09.00 – 12.00	Sedenak Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Sedenak Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30-17.00	Interim Closing briefing.	√	√	√
	Tuesday 24/11/2015	08.30 – 12.00	Rengam Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√
Rengam Estate	09.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Rengam Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Briefing	√	√	√
	Wednesday 25/11/2015	8.30 – 12.00	Sedenak Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√
Sedenak Estate	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.00	Sedenak Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.00-17.00	Verify any outstanding issues and preparation for Closing Meeting	√	√	√
	17.00-18.00	Closing Meeting	√	√	√

Appendix E: Stakeholders Contacted

INTERNAL STAKEHOLDERS

Managers and Assistants Male Mill Staff/Workers Female Mill Staff/Workers Foreign Worker Field workers Nursery workers	Male and Female Estate workers Hospital Assistant Union Representatives Gender Committee Secretary Boiler operators	Engine room operators Store clerk Staff and Welder at workshop Press station worker Weighbridge Staff
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EXTERNAL STAKEHOLDERS

Government Departments	NGOs and others	Local Communities
Labour Department	National Union of Plantation Workers All Malaysia Estate Staff Union Malayan Agricultural Producers Association Contractors & Consultants Mechanical Contractor Electrical Contractor Mechanical Parts Supplier General Supplier	Head of the Village Neighboring Estate Mosque Committee

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Appendix F: Sedenak Palm Oil Mill Supply Chain Assessment (Module E – CPO Mills: Mass Balance)

Requirements	Compliance
E.1 Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>The Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.</p>
E.2 Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
E.3 Documented procedures	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 	<p>The Palm Oil Mill has procedures for the incoming FFB, processing and outgoing Crude Palm Oil and Palm Kernel for the traceability with Mass Balance model covering certified and non-certified FFB received.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.</p>
E.4 Purchasing and goods in	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>The facilities aware of this procedure.</p>

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E.5 Record keeping	
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Computerized system in place. Records verified by internal and external audit.</p> <p>Computerized system in place with the delivery deducted accordingly.</p> <p>The Mill aware that only positive stock can be delivered. No short selling.</p>
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>No outsourcing activities.</p>

Actual Certified Palm Production - November 2014 - October 2015 (ASA1)

MILL	CAPACITY	CPO	PK
Sedenak Palm Oil Mill	90 mt/hr	40,945	10,985

Actual Sales of Certified Palm Products - November 2014 - October 2015 (ASA1)

	CPO (Certified)	PK (Certified)	Remarks
TOTAL	26.47* 38,157**	- Nil -	*CPO: Physical sales through eTrace at the time of audit. **CPO: Green Palm Certificate allocated

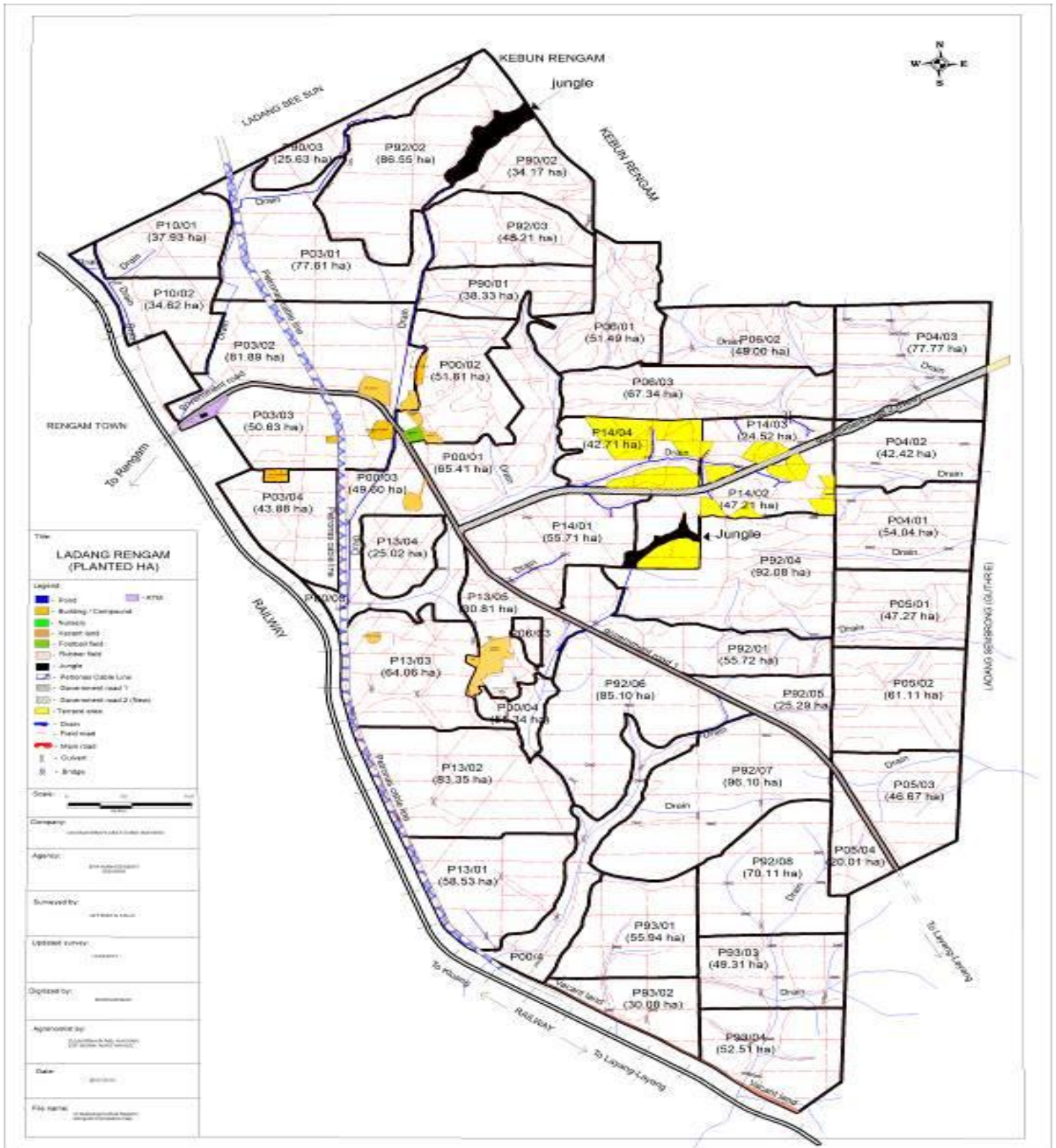
Actual Certified FFB Received Monthly - November 2014 - October 2015 (ASA1)

Month	Certified FFB from Own Supply Base					Certified FFB from Group Estate		Total FFB/Month
	Sedenak Estate	Ulu Tiram Estate	Kuala Kabong Estate	Rengam Estate	Bsir Ismail Estate	Sg. Papan Estae*	REM Estate**	
Nov. 2014	5,290	708	3,478	4,567	3,509	0	0	17,551
Dec. 2014	4,786	526	2,684	3,865	3,196	0	0	15,058
January 2015	3,592	505	1,997	2,560	2,689	0	0	11,342
February 2015	3,096	524	1,772	2,781	2,481	0	0	10,653
March 2015	4,520	690	2,520	3,904	3,850	0	0	15,485
April 2015	5,178	769	2,948	4,734	3,532	0	0	17,161
May 2015	5,485	781	3,188	3,782	3,936	0	0	17,171
June 2015	5,502	689	3,613	4,281	4,012	0	0	18,097
July 2015	6,213	656	4,110	4,570	4,325	0	0	19,873
August 2015	6,029	572	3,942	4,050	4,043	692	0	19,327
Sept. 2015	5,858	686	3,237	4,345	3,970	0	0	18,095
Oct. 2015	5,888	800	3,685	4,768	3,964	492	322	19,918
TOTAL	61,437	7,906	37,174	48,207	43,507	1,184	322	199,731

*Note: Sungai Papan estate has been excluded from Sedenak Mill supply base and included in Sindora Mill supply Base.

**NOTE: REM Estate RSPO certificate (Sindora Mill) No.: SPO 612392 valid till 22 January 2019

Appendix G: Rengam Estate Field Map



Appendix I: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
PPE	Personal Protective Equipment
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure